

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
Oversight Board of the Successor  
Agency to the Marina Redevelopment Agency  
Marina, California

We have audited the accompanying financial statements of the Successor Agency to the Marina Redevelopment Agency of the City of Marina as of and for the year ended June 30, 2013.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

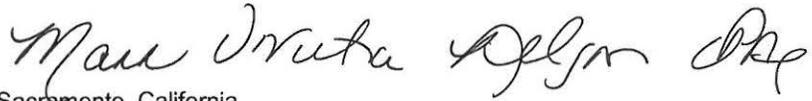
The financial statements do not include footnote disclosures to the financial statements. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the information discussed in the preceding paragraph and the "Other Matters" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Successor Agency to the Marina Redevelopment Agency of the City of Marina as of June 30, 2013, and the results of its operations for the year ended June 30, 2013 with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in black ink, appearing to read "Mark W. V. [unclear] [unclear]". The signature is written in a cursive style.

Sacramento, California  
November 1, 2013

**SUCCESSOR AGENCY  
to the MARINA REDEVELOPMENT AGENCY  
STATEMENT OF NET POSITION**

**June 30, 2013**

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**ASSETS**

Cash and Cash Equivalents	\$	2,295,607
Investments, at Fair Value		-
Prepaid Expenses		12,587
Accrued Receivables		758
Long-Term Receivable- State of California		530,000
Capital Assets - Land		900,000
Total Assets	\$	<u>3,738,952</u>

**LIABILITIES**

Accounts Payable	\$	14,047
Accrued Payables		191
Deferred Property Tax Revenue		776,025
Tax Increment Payable		539,501
Due to City of Marina Funds		279,169
Bonds Payable:		
Due within One Year		20,000
Due in More Than One Year		510,000
Total Liabilities	\$	<u>2,138,933</u>

<b>NET Position (Held in Trust for Successor Agency to the Marina Redevelopment Agency)</b>	<b>\$</b>	<b><u><u>1,600,019</u></u></b>
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**SUCCESSOR AGENCY  
to the MARINA REDEVELOPMENT AGENCY  
STATEMENT OF CHANGES IN NET POSITION**

**Year Ended June 30, 2013**

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**ADDITIONS**

Property Taxes (net of DOF True-Up Adjustment)	\$ 508,248
Investment Earnings	3,748
Refunded Prior-Year Costs	26,514
Net Assets Received on Dissolution of Redevelopment Agency	<u>1,400,000</u>
Total Additions	<u>\$ 1,938,510</u>

**DEDUCTIONS**

ROPS Payments:	
Programs Costs	\$ 1,033,327
Legal & Professional Fees	46,311
Employee Costs	150,000
Occupancy & Operating Costs	<u>147,841</u>
Total Deductions	<u>\$ 1,377,479</u>
<b>Change in Net Position</b>	<u>\$ 561,031</u>

<b>NET POSITION - BEGINNING OF YEAR</b>	\$ 488,988
Prior-period Adjustment	<u>550,000</u>
<b>NET POSITION - BEGINNING OF YEAR Restated</b>	<u>\$ 1,038,988</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 1,600,019</u></u>

**SUCCESSOR AGENCY  
to the MARINA REDEVELOPMENT AGENCY  
Combining Schedule of Net Position  
June 30, 2013**

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	<b>Successor Agency Operating Fund</b>	<b>Successor Agency Housing Fund</b>	<b>Successor Agency Housing Assets Fund</b>	<b>Successor Agency Obligation Retirement Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 606,533	\$ 2,322	\$ 55,000	\$ 1,631,752	\$ 2,295,607
Investments	-	-	-	-	-
Prepaid Expenditures	-	-	-	12,587	12,587
Accrued Receivables	756	1	-	1	758
Advances (to)from Other Funds, Net	(284,715)	284,715	-	-	-
Long-Term Receivable - State of California	-	-	-	530,000	530,000
Capital Assets - Land	-	-	900,000	-	900,000
TOTAL ASSETS	<u>\$ 322,574</u>	<u>\$ 287,038</u>	<u>\$ 955,000</u>	<u>\$ 2,174,340</u>	<u>\$ 3,738,952</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 14,047	\$ 14,047
Accrued Payables	-	-	-	191	191
Deferred Property Tax Revenue	-	-	-	776,025	776,025
Tax Increment Payable	39,501	-	-	500,000	539,501
Due to City of Marina (Long Term)	279,169	-	-	-	279,169
Bonds Payable:					
Due Within One Year	-	-	-	20,000	20,000
Due in More Than One Year	-	-	-	510,000	510,000
TOTAL LIABILITIES	<u>\$ 318,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,820,263</u>	<u>\$ 2,138,933</u>
<b>Net Position</b>	<u>\$ 3,904</u>	<u>\$ 287,038</u>	<u>\$ 955,000</u>	<u>\$ 354,077</u>	<u>\$ 1,600,019</u>

**SUCCESSOR AGENCY  
to the MARINA REDEVELOPMENT AGENCY  
Combining Schedule of Changes in Net Position  
Year Ended June 30, 2013**

	Successor Agency Operating Fund	Successor Agency Housing Fund	Successor Agency Housing Assets Fund	Successor Agency Obligation Retirement Fund	Total
<b>ADDITIONS</b>					
Property Taxes (Net of DOF True-Up Adjustment)	\$ -	\$ -	\$ -	\$ 508,248	\$ 508,248
Investment Earnings	2,498	116	-	1,134	3,748
Refunded Prior-year Costs		26,514			26,514
Net Assets Received on Dissolution of Redevelopment Agency	-	-	900,000	500,000	1,400,000
Interfund Transfers	-	-	55,000	118,000	173,000
Total Revenues	<u>\$ 2,498</u>	<u>\$ 26,630</u>	<u>\$ 955,000</u>	<u>\$ 1,127,382</u>	<u>\$ 2,111,510</u>
<b>DEDUCTIONS</b>					
ROPS Payments:					
Program Costs	\$ -	\$ -	\$ -	\$ 1,033,327	\$ 1,033,327
Legal & Professional Fees	-	-	-	46,311	46,311
Employee Costs	-	-	-	150,000	150,000
Occupancy & Operating Costs	-	-	-	147,841	147,841
Interfund Transfers	-	118,000	-	55,000	173,000
Total Expenditures	<u>\$ -</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ 1,432,479</u>	<u>\$ 1,550,479</u>
<b>Change in Net Assets</b>	<u>\$ 2,498</u>	<u>\$ (91,370)</u>	<u>\$ 955,000</u>	<u>\$ (305,097)</u>	<u>\$ 561,031</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	1,406	378,408	-	109,174	488,988
Prior-Period Adjustment				550,000	550,000
<b>NET POSITION - BEGINNING OF YEAR Restated</b>	<u>1,406</u>	<u>378,408</u>	<u>-</u>	<u>659,174</u>	<u>1,038,988</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,904</u>	<u>\$ 287,038</u>	<u>\$ 955,000</u>	<u>\$ 354,077</u>	<u>\$ 1,600,019</u>